

Financial Statements of

**DEEP RIVER & DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2023
(Unaudited)



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Deep River & District Community Foundation

We have reviewed the accompanying financial statements of Deep River & District Community Foundation that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Deep River & District Community Foundation as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants
Licensed Public Accountants

Pembroke, Ontario
March 27, 2024

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Balance Sheet
(Unaudited)

December 31, 2023, with comparative figures for 2022

				December 31 2023	December 31 2022
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash (note 2)	\$ 40,778	\$ 110,526	\$ -	\$ 151,304	\$ 28,507
Investments (note 3)	-	47,477	1,635,940	1,683,417	1,390,149
Government remittances receivable	1,183	-	-	1,183	887
Accrued interest receivable	-	773	-	773	2,105
Prepaid expenses	2,001	-	-	2,001	2,749
Current portion of loan receivable	-	-	-	-	4,668
	43,962	158,776	1,635,940	1,838,678	1,429,065
3% Loan receivable, repayable \$1,189 quarterly including principal and interest, retired	-	-	-	-	4,668
Less current portion of loan receivable	-	-	-	-	4,668
	-	-	-	-	-
	\$ 43,962	\$ 158,776	\$ 1,635,940	\$ 1,838,678	\$ 1,429,065

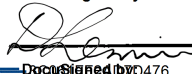
Liabilities and Fund Balances

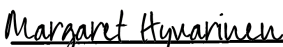
Current liabilities:					
Accounts payable and accrued liabilities	\$ 5,614	\$ -	\$ -	\$ 5,614	\$ 4,879
Deferred donations	-	-	-	-	-
	5,614	-	-	5,614	4,879
Fund balances:					
Restricted	-	158,776	1,635,940	1,794,716	1,399,578
Unrestricted Funds	38,348	-	-	38,348	24,608
	38,348	158,776	1,635,940	1,833,064	1,424,186
	\$ 43,962	\$ 158,776	\$ 1,635,940	\$ 1,838,678	\$ 1,429,065

See accompanying notes to financial statements.

On behalf of the Board:

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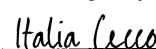

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Director

Treasurer

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Director

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Operations (Unaudited)

Year ended December 31, 2023, with comparative figures for 2022

Fund	General Funds		Restricted Funds		Endowment	
	2023	2022	2023	2022	2023	2022
Revenue:						
Donations	\$ -	\$ -	\$ 74,048	\$ 17,588	\$ 278,049	\$ 42,433
Interest and dividends	32	-	42,604	33,973	-	-
Realized gain (loss) on investments	-	-	35,764	(19,160)	-	-
Unrealized gain (loss) on investments	-	-	112,400	(183,998)	-	-
Operating fund income	38,880	14,633	-	-	-	-
Fundraising income	-	-	14,149	14,665	9,633	5,350
	38,912	14,633	278,965	(136,932)	287,682	47,783
Expenses:						
Charitable disbursements	-	-	104,190	69,325	-	-
Operating fund expense	-	-	38,880	14,633	-	-
Investment counsel fees	-	-	13,032	15,761	-	-
Office supplies	609	383	106	182	-	-
Professional fees (note 7)	23,053	19,009	3,947	-	-	-
Advertising	3,132	3,491	2,308	-	-	-
Conferences and training	453	180	395	-	-	-
Fees and dues	499	462	-	-	-	-
Fundraising expenses	-	-	5,160	9,651	-	-
Insurance	917	453	-	301	-	-
	28,663	23,978	168,018	109,853	-	-
Excess of revenue over expenses (expenses over revenue)	\$ 10,249	\$ (9,345)	\$ 110,947	\$ (246,785)	\$ 287,682	\$ 47,783

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Fund Balances

(Unaudited)

Year ended December 31, 2023, with comparative figures for 2022

	Externally Restricted Endowment Fund	Restricted Funds	Unrestricted	Total 2023	Total 2022
Balance, beginning of year	\$ 1,323,240	\$ 76,338	\$ 24,608	\$ 1,424,186	\$ 1,632,533
Excess of revenue over expenses (expenses over revenue)	287,682	110,947	10,249	408,878	(208,347)
Interfund transfers	25,018	(28,509)	3,491	-	-
Balance, end of year	\$ 1,635,940	\$ 158,776	\$ 38,348	\$ 1,833,064	\$ 1,424,186

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Financial Position (Unaudited)

Year ended December 31, 2023, with comparative figures for 2022

	General Fund 2023	Restricted Funds 2023	Endowment Funds 2023	Total 2023	Total 2022
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 34,921	\$ 89,529	\$ 287,682	\$ 412,132	\$ 95,652
Cash paid to suppliers and spent on charitable activities	(27,824)	(150,679)	-	(178,503)	(119,032)
Interest and dividend income	32	42,604	-	42,636	33,973
Gain (loss) on sale of investments	-	35,764	-	35,764	(19,160)
Unrealized gain (loss) on investments	-	112,400	-	112,400	(183,998)
Investment fees paid	-	(13,032)	-	(13,032)	(15,761)
	7,129	116,586	287,682	411,397	(208,326)
Financing:					
Interfund transfers	3,491	(28,509)	25,018	-	-
Decrease in long term receivable	-	-	4,668	4,668	4,529
	3,491	(28,509)	29,686	4,668	4,529
Increase (decrease) in cash position	10,620	88,077	317,368	416,065	(203,797)
Cash position, beginning of year	26,495	73,589	1,318,572	1,418,656	1,622,453
Cash position, end of year	\$ 37,115	\$ 161,666	\$ 1,635,940	\$ 1,834,721	\$ 1,418,656
Represented by:					
Cash	\$ 40,778	\$ 110,526	\$ -	\$ 151,304	\$ 28,507
Investments	-	47,477	1,635,940	1,683,417	1,390,149
	\$ 40,778	\$ 158,003	\$ 1,635,940	\$ 1,834,721	\$ 1,418,656

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

Deep River and District Community Foundation is a charitable public foundation incorporated without share capital under the Canada Not-for-Profit Corporations Act. The organization's object is to improve the quality of life for every resident of the municipalities of Deep River, Laurentian Hills, Head, Clara & Maria and Rapides-des-Joachims by supporting social services, promoting arts and cultural activities, and by advancing education and medical services. The organization is a registered charity under The Income Tax Act and accordingly is exempt from income taxes provided certain requirements of The Income Tax Act are met.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting:

Deep River and District Community Foundation follows the restricted fund method of accounting for contributions.

The Restricted Funds reports the investment income earned on the various Endowment Funds according to the restrictions imposed by the contributors of the funds for endowment. The Restricted Funds also reports internally restricted funds.

The General Fund accounts for the organizations' program delivery and administrative activities. This fund reports unrestricted resources.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Restricted Funds or General Fund depending on the nature of any restrictions imposed by contributors of the funds for endowment.

(b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

1. Significant accounting policies (continued):

Restricted investment income earned on Endowment Fund resources is recognized as revenue of the Restricted Funds according to the restrictions imposed by the contributors of the funds for endowment. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

(c) Cash:

Cash includes cash on hand and cash on deposit net of cheques issued and outstanding at the reporting date.

(d) Expenditure recognition:

Expenses are reported on the accrual basis of accounting. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(e) Financial Instruments:

i) Measurement of financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, amounts receivable, prepaid expenses and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

1. Significant accounting policies (continued):

ii) Impairment:

At the end of each reporting period, the Foundation assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Foundation, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the company determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Foundation identifies adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- i) the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset;
- ii) the amount that could be realized by selling the asset at the statement of financial position date; and
- iii) the amount the Foundation expects to realize by exercising its rights to any collateral held to secure repayment of the asset net of all costs necessary to exercise those rights.

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of operations.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Contributed services:

Volunteers contribute a significant amount of time to assist Deep River and District Community Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Cash:

	2023	2022
Cash on deposit	\$ 165,071	\$ 36,367
Cheques issued and outstanding	(14,455)	(8,800)
Outstanding deposits	688	940
	<u>\$ 151,304</u>	<u>\$ 28,507</u>

3. Investments (at market value):

	2023	2022
Cash accounts	\$ 13,495	\$ 25,166
Fixed Income	362,287	561,620
Corporate Equity	1,307,635	803,363
	<u>\$ 1,683,417</u>	<u>\$ 1,390,149</u>

The Foundation is exposed to market risk on its publicly traded investments as described in note 6.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

4. Restricted Funds:

Externally restricted:

	Balance January 1 2023	Income	Transfers and Expenditures	Balance December 31 2023
Community Fund	\$ 7,078	\$ 18,885	\$ (7,098)	\$ 18,865
Four Seasons Fund	1,839	3,527	-	5,366
Deep River Science Academy Scholarship Fund	535	769	(535)	769
Elizabeth Hulbert Memorial Fund	2,935	822	-	3,757
Milton Family Fund	8,928	9,875	(8,822)	9,981
MHS Reunion Award Fund	400	491	(400)	491
The Original Six Hockey Fund	6,478	697	(2,000)	5,175
Mary Moore Ecological Fund	8,891	5,552	(8,500)	5,943
Rotary Club of North Renfrew Fund	281	494	(775)	-
Foundation Development Fund	287	515	(287)	515
Arts and Education Fund	222	305	(222)	305
The North Renfrew Family Services Fund	2,115	3,929	(2,115)	3,929
Library Endowment Fund	601	1,090	(602)	1,089
Environmental Legacy Fund	493	876	(500)	869
Mary-Jane and Bob Brown Memorial Fund	118	212	(118)	212
W. G. Cross Concert Piano Fund	1,679	419	-	2,098
Order of the Eastern Star (Pembroke #288) Bursary Fund	488	827	(330)	985
Jean and Bruce Biggam Student Activity Fund	898	590	(898)	590
Deep River Area Health Care Fund	246	413	(247)	412
Renfrew County United Way Fund	161	223	(384)	-
Laura Alice Cooper Memorial	2,204	1,452	(2,204)	1,452
Cuthbert Family Fund	357	856	(357)	856
Tucker Tennant Fund	304	895	(304)	895
Bourns Vocal Student Support Fund	4,185	411	-	4,596
Hinds Family Fund	816	3,949	(816)	3,949
Beth and Ivan Ophel Memorial Fund	138	288	(138)	288
Women's Day Fund	203	1,238	(203)	1,238
Community Emergency Fund	-	233	(233)	-
Murphy Fund	-	54	-	54
Flow Through Donations	3,754	83,681	(67,510)	19,925
Direct Charitable	19,704	-	(2,825)	16,879
	\$ 76,338	\$ 143,568	\$ (108,423)	\$ 111,483

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

4. Restricted Funds (continued):

Internally restricted:

	Balance January 1 2023		Income		Transfers and Expenditures		Balance December 31 2023
Reserve Fund	\$	-	\$	-	\$	47,293	\$ 47,293
	\$	-	\$	-	\$	47,293	\$ 47,293
Total Restricted Funds	\$	76,338	\$	143,568	\$	(61,130)	\$ 158,776

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

5. Externally restricted endowment funds:

	Balance January 1 2023	Additions (transfers)	Balance December 31 2023
Community Fund	\$ 442,095	\$ 18,287	\$ 460,382
Four Seasons Fund	82,990	1,868	84,858
Deep River Science Academy Scholarship Fund	18,753	(1,558)	17,195
Elizabeth Hulbert Memorial Fund	19,339	435	19,774
Milton Family Fund	164,718	208,145	372,863
MHS Reunion Award Fund	12,246	(1,840)	10,406
The Original Six Hockey Fund	16,402	369	16,771
Mary Moore Ecological Fund	130,645	2,939	133,584
Rotary Club of North Renfrew Fund	11,624	(11,624)	-
Foundation Development Fund	12,127	272	12,399
Arts and Education Fund	7,182	161	7,343
The North Renfrew Family Services Fund	92,446	2,080	94,526
Library Endowment Fund	25,635	576	26,211
Environmental Legacy Fund	20,601	464	21,065
Mary-Jane and Bob Brown Memorial Fund	4,989	113	5,102
W. G. Cross Concert Piano Fund	9,873	222	10,095
Order of the Eastern Star (Pembroke #288)			
Bursary Fund	19,705	(62)	19,643
Jean and Bruce Bigham Student Activity Fund	13,886	312	14,198
Deep River Area Health Care Fund	9,704	218	9,922
Renfrew County United Way Fund	5,257	(5,257)	-
Laura Alice Cooper Memorial Fund	33,506	2,116	35,622
Ken and Maragret Cuthbert Family Fund	19,766	1,954	21,720
Thomas "Tucker" Tennant Memorial Fund	20,681	1,973	22,654
Lorna Bourns Vocal Bursary Fund	9,672	218	9,890
Hinds Family Fund	89,920	38,032	127,952
Beth and Ivan Ophel Memorial Fund	6,780	248	7,028
Women's Day Fund	22,698	10,288	32,986
Community Emergency Fund	-	31,751	31,751
Murphy Fund	-	10,000	10,000
	\$ 1,323,240	\$ 312,700	\$ 1,635,940

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

6. Financial instruments:

The carrying value of the cash, investments, accounts payable and accrued liabilities and managed funds approximate the fair value due to the short-term nature of the financial assets and liabilities.

All managed funds are non-interest bearing. Consequently the debt risk exposure is not significant.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchanges. The Foundation uses Edward Jones to manage its investment portfolio. Edward Jones monitors the investments daily and adjusts the portfolio to manage currency risk.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The foundation has no interest bearing liabilities.

The primary objective of the Foundation with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

The Foundation manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms of maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2023

6. Financial instruments (continued):

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Foundation uses Edward Jones to manage its investment portfolio. The investment policy provides for an asset mix of 55% equities and 45% fixed income investments and is monitored monthly. Risk and volatility of investment returns are mitigated through diversification of investments.

7. Comparative figures:

Certain of the 2022 comparative figures have been reclassified to conform with the financial presentation adopted in 2023.

7. Professional fees

The professional fees expense includes the cost of the public accountant, the treasurer and the executive director.